

STATE OF NEBRASKA
Workforce Investment Act Waiver Request
Waiver Requiring Incentive Grants to Local Areas

Date: Resubmitted **April 10, 2013** (Original Submission: October 23, 2012)
State: Nebraska
Agency: Department of Labor, Office of Employment and Training

Statutory And/Or Regulatory Requirements To Be Waived

WIA Section 134(a)(2)(B)(iii) and 20 CFR 665.200(e) requiring provision of incentive grants to local areas.

Actions Undertaken To Remove State Or Local Barriers

There are no state or local statutory or regulatory barriers to implementing the waiver.

Goals And Expected Programmatic Outcomes Of Waiver

The reduction to 5% in the WIA allotment for Program Years 2011 and 2012 Governor's Reserve funds restricts the State's ability to effectively fund and carry out all nine of the required statewide workforce investment activities. Our goal in seeking this waiver is to ensure the State can prioritize the use of Governor's Reserve funds for the required statewide activities we deem most essential to the basic functions of the workforce investment system while allowing forward progress on the Governor's statewide initiatives as identified in the recently submitted 2012 Five Year Integrated Workforce Plan. There are not expected programmatic outcome changes as a result of this waiver.

Individuals Impacted By The Waiver

Local areas are most impacted by this waiver. Since the statewide incentive funds that would have been awarded by the State to the local areas have been directly passed to the local areas, any impact to the local areas is minimal.

Process For Monitoring Progress In Implementation

The Nebraska Department of Labor (NDOL) will monitor the implementation and impact of the waiver through the program and administrative monitoring system. The State's internal monitoring unit will assist in monitoring each waiver. Given that this waiver, if granted, would reduce those activities required of administrative staff, one of our monitoring approaches is to simply ensure that staff members are *not* pursuing unnecessary tasks. Given budget constraints, we need to reduce required activities in order to operate with a reduced budget.

Notice To Affected Local Boards

This waiver was originally approved for PY 2010. Original discussion of this waiver was held at the November 2, 2011, Local Area WIA Administrators meeting. This waiver was most recently included in the final draft Five-Year Integrated State Plan posted at www.dol.nebraska.gov on September 14, 2012.

Public Comment

This waiver request is posted for public comment on the NDOL website at www.dol.nebraska.gov. Any comments received will be forwarded to ETA Regional Office. Upon approval of this waiver, NDOL's Office of Employment and Training will issue a revised "Allocation Planning" policy reflecting this waiver that will be disseminated to Local Workforce Investment Areas and local WIB Chairs. The policy will also be posted on the NDOL website for a 10 day comment period, with the final policy posted on the NDOL website, at www.dol.nebraska.gov.

Estimated Costs To Carry Out The Required Activity For Which The Waiver Is Needed

Nebraska's State Policy stipulated that, if funds are available, 2.5% of the WIA formula funds received be set aside for incentive awards, capacity building, and technical assistance. Based on PY2010 allocations, the amount specifically set aside for local area PY2010 Incentive Awards was: \$118,847.

How Statewide Funds Are Being Used (For Both Required And Allowable Statewide Activities)

All required Statewide Activities per TEGL 26-09, Change 1, are as follows:

- Section 665.200(a) - Rapid Response activities
- Section 665.200(b)(1) - Disseminate list of eligible training providers
- Section 665.200(b)(2) - Disseminate information identifying eligible OJT & CT providers
- Section 665.200(b)(3) - Disseminate performance & cost information*
- Section 665.200(b)(4) - Disseminate list of eligible youth service providers
- Section 665.200(c) - Information above must be widely available
- Section 665.200(d) - Conducting evaluations*
- Section 665.200(e) - Providing incentive grants*
- Section 665.200(f) - Providing TA to poor performing local areas
- Section 665.200(g) - Assisting in establishment and operation of One Stop system
- Section 665.200(h) - Additional assistance to high concentrations of eligible youth
- Section 665.200(i) - Operating fiscal & management accountability information systems
- Section 136(f) - Submitting required reports

Nebraska is utilizing the statewide funds for the following:

Required activities:

- Disseminating the State list of eligible providers of training services
- Providing technical assistance to local areas that fail to meet local performance measures
- Operating a fiscal and management accountability information system
- Additional assistance to areas with high concentration of eligible youth

Allowable activities:

- State administration of the adult, dislocated worker, and youth workforce investment activities
- Providing capacity building and technical assistance to the local areas

- Carrying out adult and dislocated worker employment and training activities as the State determines necessary to assist local areas in carrying out local employment and training programs
- Carrying out youth activities statewide
- Preparation and submission to the Secretary of the annual performance progress report

How Funds Are Being Prioritized Across Activities

The first priority for utilization of funds is those activities that promote and ensure program integrity and accountability. By far, our largest expense and highest priority for the utilization of statewide funds is our participant management information system, NEworks. The State hosts the system for the three local areas and has been able to not pass this cost down to the local areas, therefore, allowing the local areas to utilize their program dollar on participants. The next priority for utilization of statewide funds is the fiscal accountability system which has recently been revamped and an on-line system implemented which gives the local areas and State administrative staff direct access to expenditure and draw down information. This is part of the Corrective Action Plan the State is under. The next priority falls under the area that supports the Governor’s vision as outlined in the Nebraska Workforce Integrated Plan in aligning workforce development efforts with education and economic development.

Extent To Which The Funding Levels Are Insufficient To Cover The Activity For Which A Waiver Is Requested

Per the 2nd Quarter 9130 (through December 31, 2012), the State had approximately \$392,836 of unexpended PY10/FY11 Governor’s 15% Reserve. Of this amount, \$343,630 is available for Statewide Activities, \$49,206 for Capacity Building, and \$-0- for Administration. Based on the table below, the available PY10/FY11 funds do not support the cost of approximately \$118,847 to provide local area incentive awards.

Required Statewide Activities—Financial Analysis	
PY11 and PY12 Governor’s Set Aside (5% State Administration) Amount	\$552,810
PY10/FY11 Governor’s 15% Reserve Carryover Amount	\$392,836
Estimated Costs to Perform Required Statewide Activities 1/1/13 Through 6/30/13 include:	
Statewide MIS system (NEworks) & fiscal management system	\$ 191,885
T.A. & Capacity Building (<i>Includes development of exemplary program activities & assistance to areas with high concentration of eligible youth</i>)	\$ 99,207
Financial System Development, Phase 2	\$ 49,000
Project Staff for Statewide Activities	\$ 15,000
Disseminating State ETP List/H3 Website	\$ 10,000
Annual Report	\$ 5,000
<u>Indirect Costs</u>	<u>\$ 24,000</u>
Total	\$ 394,092
Amount Available to Provide Local Area Incentive Awards	\$ - 1,256
Estimated Cost of Providing Local Area Incentive Awards	\$118,847
Shortfall to Cover Local Area Incentive Awards [based on PY09]	\$118,847

Anticipated Impact Of Not Funding The Activity

It is anticipated the impact of this waiver should be minimal. Beginning in 2011 based on TEGL No. 09-11 these funds were passed directly to the local areas through the formula allocation process. The same holds true for PY2012.

Whether It May Directly Affect WIA Participant Services

It is doubtful this waiver will have any direct effect on WIA participant services.

EXPIRED